



Queensland

Contract Cleaning Industry (Portable Long Service Leave) Regulation 2005

Explanatory Notes for SL 2005 No. 125

made under the

Contract Cleaning Industry (Portable Long Service Leave) Act 2005

1 Authorising law

Section 150(1) of the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*.

2 Policy objectives of Legislation

The *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* established the Contract Cleaning Industry (Portable Long Service Leave) Scheme ('the Scheme'). The Scheme was established to provide an equitable and efficient system of portability of long service leave benefits for eligible workers in the contract cleaning industry. The Scheme is to be funded by a levy based on the ordinary wages of workers within the industry.

3 How policy objective will be achieved

The proposed Regulation:

- Sets the portable long service leave levy rate at 2% of the wages paid to workers in the contract cleaning industry.
- Prescribes the benchmark classification level for the calculation of a long service leave payment to be made to eligible workers.

The quantum of the levy rate and benchmark level for wages determination will ensure that eligible workers registered with the Scheme will receive an equitable payment of benefits for portable long service leave, and also ensures that the Scheme has sufficient monies in the long-term to fund its liabilities and remain viable.

4 Consistency with authorising Act and other legislation

The objective of the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* is to provide eligible workers in the contract cleaning industry in Queensland with portable long service leave benefits.

The proposed Regulation is consistent with the objective of the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*.

5 Benefits and costs for implementing the legislation

The proposed Regulation sets a portable long service leave levy rate of 2% of the wages paid to workers in the contract cleaning industry in Queensland. This levy is to be paid by employers engaging workers in the contract cleaning industry.

The benefit gained by the implementation of the Scheme is that workers in the contract cleaning industry in Queensland will have access to portable long service leave benefits, which benefits are currently denied to contract cleaning industry workers. The rate of 2% has been independently assessed by an actuary as being the appropriate long term levy rate to ensure that the long term liabilities of the Scheme are fully funded, and that the Scheme remains in a financially viable position in the long term, so that all eligible workers are able to access portable long service leave benefits.

The costs of implementing the Scheme will be borne initially by QLeave. The Contract Cleaning (Portable Long Service Leave) Authority will reimburse QLeave for the set up costs of the Scheme when sufficient monies are available from the pool of funds.

6 Fundamental legislative principles

The proposed Regulation has sufficient regard to the rights and liberties of individuals and the institution of Parliament, and is consistent with the fundamental legislative principles provided for under the *Legislative Standards Act 1992*.

7 Consultation

The impetus for the establishment of the Scheme was created through the bipartisan support of unions and employer organisations in the industry. Detailed consultation with those stakeholders during its development established clear support for the Scheme across the industry.

A Regulatory Impact Statement was prepared and released for public comment in relation to the proposed Regulation. Only one formal submission was received. This submission was from the Building Service Contractors' Association of Australia, supporting the introduction of the Scheme and recognising the need for the Scheme to be implemented in Queensland as soon as possible.

All appropriate Government departments and agencies were consulted in relation to the proposed Regulation.

Notes on Provisions

Clause 1 provides a short title of the Regulation as the *Contract Cleaning Industry (Portable Long Service Leave) Regulation 2005*.

Clause 2 provides that the proposed Regulation is to commence on 1 July 2005.

Clause 3 prescribes the information that is required to be provided in returns by employers about each of their workers.

Clause 4 prescribes the benchmark classification level for the calculation of a long service leave payment as being that of 'Building Services Employee Grade 1' as determined under the industrial agreement titled 'Building Services Contractors Association of Australia – Queensland Division Certified Agreement 2002'.

Clause 5 provides that the amount of the levy to be paid by the employer to the Contract Cleaning Industry portable long service leave scheme as being 2% of the ordinary wages paid by the employer to the worker.

Clause 6 prescribes the rate of interest applied when a levy is not paid at or before the time for its payment as 2% per month or part of a month.

Clause 7 prescribes a *return period* defined in schedule 2 of the Act as being a period in each year between:

- (a) 1 January and 31 March; or
 - (b) 1 April and 30 June; or
 - (c) 1 July and 30 September; or
 - (d) 1 October and 31 December.
-

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Industrial Relations.